

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Three Industrial Corridors in the State of Andhra Pradesh and Industrial Clusters/Nodes under NICDIT Framework - Approval to addendum of Shareholders Agreement (SHA) and State Support Agreement (SSA) for Orvakal and Koppaerthy Nodes to the existing Shareholders Agreement (SHA) and State Support Agreement (SSA) signed on 29th November 2017 and renaming the existing SPV "NICDIT Krishnapatnam Industrial City Development Ltd." as "AP-Industrial Corridors Infrastructure Development Corporation Limited (APICDC) - Approval for development of Orvakal and Koppaerthy Nodes and future NICDIT sponsored nodes in the State, through APICDC - Orders - Issued.

INDUSTRIES AND COMMERCE (INFRA) DEPARTMENT

G.O.Ms.No.48,

Dated: 02.09.2024.
Read the following:

1. G.O.Ms.No.25, Ind. & Comm. (Infra) Dept., dt.09.02.2017.
2. G.O.Ms.No.39, Ind. & Comm. (Infra) Dept., dt.08.03.2017.
3. G.O.Rt.No.133, Ind. & Comm. (Infra) Dept., dt.07.05.2018.
4. From the VC&MD., APIIC Ltd., e-file No. APIIC-16024/2/2024-ENGG WING I-APIIC (C.No.2412524).
5. From the VC&MD., APIIC Ltd., e-file No. APIIC-16026/13/2021-ENGG WING I-APIIC (C.No.1520818).

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ORDER:

So far, the State Government of Andhra Pradesh has developed notable 20 Mega Industrial clusters on its own resources or through PPP mode in the State in an area of over 74,000 acres. The notable Industrial Clusters include Atchuthapuram, Mallavalli, Kapulauppada, Gudipalli, Naidupeta, etc., and private led / managed such as Parawada Pharma City, Sri City, Brandix, etc. Further, Andhra Pradesh has plans to develop further 30 more Industrial clusters in the State on various models such as internal resources, PPP mode, etc. In this regard, the State Government has also partnered with the Government of India to develop mega Industrial Nodes / clusters in the State. Three such nodes are being developed in partnership with the DPIIT, GoI under the programme of National Industrial Corridor Development Corporation (NICDC).

2. Government of India has formed Delhi Mumbai Industrial Corridor Development Corporation (DMCIDC) on 01.01.2016 and has reconstituted National Industrial Corridor Development and Implementation Trust (NICDIT) in December 2016. These are to manage the various nodes under the Industrial Corridors across the Country. Out of the 11 Industrial Corridors notified by the Government of India, three Corridors pass through the State of Andhra Pradesh viz, Vizag Chennai Industrial Corridor (VCIC), Chennai Bangalore Industrial Corridor (CBIC) and Hyderabad Bangalore Industrial Corridor (HBIC).

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3. In the G.O. 1st read above, Government had approved the Share Holder Agreement (SHA) and also accorded permission to nominate APIIC Limited, as nodal agency to enter the Shareholder Agreement (SHA) with the Agency designated by the Government of India for the development of Krishnapatnam Node under Chennai Bangalore Industrial Corridor (CBIC). In the G.O. 2nd read above, Government had approved the State Support Agreement (SSA) as submitted by the VC&MD., APIIC Ltd., vide Letter No./Misc/CBIC/2016, dt.21.06.2016 and also authorize the APIIC Limited to execute the State Support Agreement (SSA) with the Agency designated by the Government of India for development of Krishnapatnam Node under Chennai Bangalore Industrial Corridor (CBIC). The Govt of Andhra Pradesh, on 29th November, 2017, has entered Share Holding Agreement and State Support Agreement with the NICDIT for developing initially Krishnapatnam Industrial Node under CBIC in the State.

4. In the G.O. 3rd read above, Government had accorded permission to the VC&MD, APIIC Limited for incorporation of Special Purpose Vehicle (SPV) Company as joint venture between National Industrial Corridor Development and Implementation Trust (NICDIT) and APIIC Limited for development of Krishnapatnam node under Chennai Bangalore Industrial Corridor (CBIC) Project with an initial investment of Rs.2.50 crores, which is in line with Share Holders Agreement. State Government formed NICDIT Krishnapatnam Industrial City Development Ltd (NKICDC) between NICDIT and APIIC with equity participation of 50%:50% on 07.08.2018. This SPV is entrusted with the responsibilities of preparing the project report and execution of the projects of KRISCITY Node, once approved, under NICDIT Programme. Node development under the NICDIT Framework involves, earmarking total area for industrial development and developing the areas in phases.

5. Accordingly, total area of about 12,000 acres were earmarked for Krishnapatnam Node (commonly called as KRISCITY) and about 2500 acres have been earmarked for development under the Phase-I. This project of Phase-I of the KRISCITY got approved by the NICDIT Trust on 30.08.2019 and approved by the Cabinet Committee on Economic Affairs on 31.12.2020. Total estimated project cost as approved by the CCEA is Rs.2,139 Cr (including the land cost of Rs.621 Cr). Meanwhile, GoI has renamed the DMICDC as National Industrial Corridor Development Corporation (NICDC) in February 2020. After three rounds of tendering during the years, an EPC contractor is selected and agreement entered in February 2024 for the works to an value of Rs.1173 Cr. The works include internal roads, raw water supply, storm water drain, sewer network, industrial effluent network, power supply network, water and sewerage treatment plants, CETPs, etc

6. Further, HBIC Corridor and Orvakal Node are formally approved by NICDIT in 2020 and the proposal of the State Government of Andhra Pradesh for the Orvakal Node is approved by NICDIT during its meeting held on 08.07.2024 and the CCEA has cleared the proposal of Orvakal on 28.08.2024. Total area of about 9,000 acres were earmarked for Orvakal Node and about 2,600 acres have been earmarked for development under the Phase-I. Total estimated project cost as approved by the CCEA is Rs.2,796 Cr (including the land cost of Rs.1,014 Cr).

7. Kopparthi Node proposal of the State Government of Andhra Pradesh under VCIC is approved by NICDIT during its meeting held on 8.7.2024 and the CCEA has cleared the proposal of Kopparthi on 28.08.2024. Total area of about 5,754 acres were earmarked for Kopparthi Node and about 2,500 acres are earmarked for development under phase-I. Total estimated project cost as approved by the CCEA is Rs.2,140 Cr (including the land cost of Rs.900 Cr).

8. In the reference 4th and 5th read above, the VC&MD., APIIC Ltd., while submitting the above details, has informed that, NICDC has proposed to execute addendum to the existing SHA & SSA agreements of Krishnapatnam Node instead of entering fresh SHA & SSA for each node and communicated the draft addendum agreements of SHA & SSA for Kopparthi and Orvakal Nodes, as communicated and concurred by NICDC.

9. The VC&MD., APIIC Ltd., has requested the Government on the following:

- 1) For approval on the draft addendum agreements of SHA & SSA for Orvakal and Kopparthi Nodes.
- 2) Concurrence for the development of Orvakal and Kopparthi Nodes through the existing SPV.
- 3) Renaming the existing SPV "NICDIT Krishnapatnam Industrial City Development Ltd." as "AP Industrial Corridors Infrastructure Development Corporation Limited (APICDC)".

10. Government, after careful examination of the matter, hereby accord approval to the addendum of Shareholders Agreement (SHA) and State Support Agreement (SSA) for Orvakal and Kopparthi Nodes to the existing Shareholders Agreement (SHA) and State Support Agreement (SSA) signed on 29th November 2017, and renaming the existing SPV "NICDIT Krishnapatnam Industrial City Development Ltd." as "AP-Industrial Corridors Infrastructure Development Corporation Limited (APICDC)".

11. Government also accord approval for the development of Orvakal and Kopparthi Nodes and future NICDIT sponsored nodes in the State under the NICDIT Framework, through this SPV- APICDC.

12. The Vice Chairman & Managing Director, APIIC Limited, shall take necessary action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N. YUVARAJ
SECRETARY TO GOVERNMENT & CIP

To

The Vice Chairman & Managing Director,

A.P. Industrial Infrastructure Corporation Ltd., APIIC Tower,

Plot No.CFC-1, Mangalagiri, Guntur District, A.P. - 522 503. (w.e.)

Contd...P.4.

Copy to:

The Joint Secretary, DPIIT, GoI, New Delhi

The CEO, NICDC, GoI, New Delhi

The Director of Industries, APIIC Towers, IT Park, Mangalagiri, Guntur Dist., A.P.

The General Administration (Cabinet) Department, A.P. Secretariat, Velagapudi.

(W.r. to the Council Resolution No.168/2024, dt.28.08.2024.)

The Finance (FMU-Energy, I&C and I&I) Department.

The Law Department.

The P.S. to Additional Secretary to C.M., A.P. Secretariat, Velagapudi.

The P.S. to Hon'ble Minister (I&C and FP), A.P. Secretariat, Velagapudi.

The P.S. to Chief Secretary to Government, A.P. Secretariat.

The P.S. to Secretary to Govt. & CIP, Ind. & Comm. Dept., A.P. Secretariat.

SC/SF (Computer No.2179266)

// FORWARDED:: BY ORDER //


SECTION OFFICER